



NEWS RELEASE

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HEXCEL ANNOUNCES CHAPTER 11 FILING

PLEASANTON, CA (DECEMBER 6, 1993) -- Hexcel Corporation (NYSE/PSE: "HXL") today announced that the Company has filed a voluntary petition for relief under the provisions of Chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the Northern District of California, Oakland Division. Hexcel's filing will allow the Company to restructure its financial obligations through a plan of reorganization, after ongoing efforts for an out-of-court restructuring failed.

The Board of Directors and its new management team have worked since August on a course intended to bring financial stability to the Company through the infusion of new capital to finance an operational restructuring. Although unable to persuade the senior lender group to commit new money, the Company was successful in attracting an equity investor. The plan provided for up to \$40 million of new equity from the investor and management and incorporated a rights offering to existing shareholders. This plan was subject to agreement by all senior lenders to a debt restructuring. Over the last two weeks, a consensus had been reached by the Company with all senior lenders, except Chemical Bank. Efforts to reach a compromise or other solution proved fruitless, and although Chemical Bank expressed a willingness to be taken out of its loan, the terms were such that the Company was unable to accommodate Chemical Bank and other lenders were



unwilling to do so.

This bankruptcy proceeding is limited solely to Hexcel Corporation, the U.S. parent company. Domestic and foreign business operations should continue with a minimum of disruptions or impediments in spite of this filing. As a Chapter 11 debtor in possession, Hexcel has received a commitment for a new line of credit of up to \$35 million from the CIT Group / Business Credit, Inc. The Company will seek interim court approval of this financing within the next few days.

"The Chapter 11 filing was a very difficult decision. We made every effort to avert this action," stated Messrs. John J. Lee and John L. Doyle, Co-Chief Executive Officers. "Over the past weeks, the Company has engaged in extensive negotiations with the U.S. lenders in an effort to conclude an equity financing. However, failure by our U.S. senior lenders to reach agreement on a financial restructuring plan that treated them all equally necessitated our filing for Chapter 11 reorganization."

"This filing allows us to continue routine operations with a minimum of disruptions. As such, the Company will continue to provide the quality products and services that our customers expect. The new line of credit will facilitate full payment to all suppliers for goods and services that we receive after today's petition. We intend to begin work immediately on a reorganization plan which strives to preserve Hexcel as a viable, going concern while at the same time maximizing recovery for our creditors, debt holders and shareholders. We believe that we now have the opportunity to pursue vigorously our restructuring and strategic programs and to emerge as a strong, profitable and successful company."

Hexcel Corporation is an international developer and manufacturer of honeycomb, advanced composites, reinforcement fabrics and resins used in the commercial aerospace, space and defense and general industrial markets.



INFORMATION ON HEXCEL'S CHAPTER 11 FILING

Recognizing that there may be many questions relating to Hexcel's Chapter 11 filing, we have prepared the following briefing to address the major issues.

What happened?

Today Hexcel Corporation filed a voluntary Chapter 11 petition under the U.S. Bankruptcy Code. The filing was made because all of our U.S. senior lenders could not agree with us and among themselves on a proposed financial restructuring plan. This Chapter 11 filing is limited solely to Hexcel Corporation, the U.S. parent company. The filing should have little or no disruption on the business operations in the United States, Europe and elsewhere. Our offices and plants will continue to operate as usual.

Why?

The cutbacks in commercial aircraft orders and build rates at the end of 1992 resulted in a marked decline in Hexcel's sales and pushed the Company into an operating loss. To restore profitability and cash flow, Hexcel embarked immediately on a major worldwide restructuring program. Hexcel's 1993 operating losses and restructuring charges caused the Company to be in default with its US senior loan agreements. The inability to conclude the agreement for a financial restructuring and the continued downturn in the aerospace business ultimately precipitated this filing.

What now?

Under Chapter 11, the Company may secure new debtor-in-possession (DIP) financing to fund day to day operations. Hexcel has received a commitment for a DIP revolving line of credit of up to \$35 million. This will facilitate full payment for all liabilities incurred after today's petition. Liabilities incurred before the petition will be addressed for payment within the Company's plan of reorganization.

We intend to begin work immediately on our plan of reorganization.. The goal is to maximize recovery for creditors, debt holders and shareholders by preserving Hexcel as a viable going concern.

What's affected?

Day to day activities of the Company should be unaffected by the filing. Today's business climate provides several examples of companies that have operated successfully during the Chapter 11 process. These include airline companies such as America West, Continental and TWA, along with others like Macy's, Breuner's and Circle K.

Looking forward:

- Our customers will continue to receive excellent Hexcel products with proven reliability and the best technical service.
- Our customers will continue to receive the same excellent Hexcel service from the same knowledgeable Hexcel Sales Engineers.
- Delivery schedules and lead times for our customers will remain intact.
- Suppliers will receive full payment for all goods and services that the Company receives after today's filing.

How does Hexcel come out of Chapter 11?

The focus of Hexcel's restructuring and strategic plans is on restoring profitability and positive cash flow from operations. Chapter 11 proceedings will conclude upon the court's approval of our reorganization plan and the satisfaction of the provisions relating to creditors, debt holders and equity holders.

We believe that we now have the opportunity to pursue vigorously our restructuring and strategic plans and emerge as a strong, profitable and successful corporation.

Questions?

We invite you to discuss any questions you may have with members of our management team.

We appreciate very much your continued support as we move through these difficult times. Thank you for your confidence in Hexcel.